

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 2164 - SB 2193**

March 27, 2009

**SUMMARY OF BILL:** Authorizes the creation of a single source funding district (SSFD) in any county in which more than one local education agency exists. SSFDs will be created by the General Assembly and taxes will be levied by the General Assembly for the purpose of funding schools for all LEAs within the SSFD. Prohibits LEAs within an SSFD from levying educational taxes. Requires a non-binding, advisory referendum to be voted on before any such SSFD is created. Authorizes the combined school boards of an SSFD to recommend a tax increase to the General Assembly by a two-thirds majority vote of the combined board. Authorizes the General Assembly to issue bonds in the SSFD's name for the purpose of school construction. LEAs within an SSFD will remain separate powers for all other purposes. Sets forth provisions by which a SSFD may be dissolved.

**ESTIMATED FISCAL IMPACT:**

**MINIMAL**

**Other Fiscal Impact – Action taken pursuant to this bill will be done by the General Assembly through a separate SSFD enactment, setting forth the specific provisions of how an SSFD will be taxed and funded. The fiscal impact of that enactment will be evaluated independently from the current bill.**

Assumptions:

- Any increase in local expenditures to hold referendums on this subject are estimated to be minimal. Any referendum will be held during the normal election cycle.
- It is unknown which LEAs may be affected by the creation of an SSFD. It is unknown how or in what amount any SSFD tax will be levied by the General Assembly.
- Creation of a SSFD will require a separate SSFD enactment by the General Assembly.
- A separate fiscal note will be issued on any SSFD action, independent from the current bill.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

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